



FINANCE COMMITTEE

DECEMBER 7, 2009

MINUTES

I. CALL TO ORDER

Vice Chair Bill Peloza called the meeting to order at 6:30 p.m. in the Council Conference Room at Auburn City Hall, located at 25 West Main Street in Auburn. Vice Chair Peloza and Member Lynn Norman were present. Chair Nancy Backus was excused. Present during the meeting were Mayor Peter B. Lewis, City Attorney Daniel B. Heid, Finance Director Shelley Coleman, Budget Manager Karen Jester, Information Services Director Lorrie Rempher, and City Clerk Danielle Daskam.

Members of the audience included Councilmember-elect John Partridge, Auburn Chamber of Commerce President and Chief Operating Officer Nancy Wyatt, and Val Erickson.

II. CONSENT ITEMS

A. Approval of Minutes

1. Minutes of the November 16, 2009 Finance Committee meeting.

Member Norman moved and Vice Chair Peloza seconded to approve the November 16, 2009 minutes.

MOTION CARRIED UNANIMOUSLY. 2-0.

B. Vouchers

(The vouchers were reviewed and approved immediately following Item IV.G of these minutes.)

1. Claims

F4.9.5

Claims check numbers 390464 through 390974 in the amount of \$3,624,208.24 and dated December 7, 2009.

2. Payroll

F4.9.2

Payroll check numbers 527750 to 527891 in the amount of \$380,428.39 and electronic deposit transmissions in the amount of \$1,222,788.67 for a grand total of \$1,603,217.06 for the pay period covering November 11, 2009 to December 2, 2009.

Committee members reviewed the consent items and briefly discussed claim vouchers 390496, 390511, 390745, 390838 and 390897.

Member Norman moved and Vice Chair Pelosa seconded to approve the vouchers.

MOTION CARRIED UNANIMOUSLY. 2-0.

III. ORDINANCES AND RESOLUTIONS

There was no ordinance or resolution for Committee consideration.

IV. DISCUSSION ITEMS

A. Auburn Area Chamber of Commerce Update by Chamber President and Chief Operating Officer Nancy Wyatt

Auburn Area Chamber of Commerce President and Chief Operating Officer Nancy Wyatt reviewed the Chamber's end-of-the-year report dated November 30, 2009 relating to the Chamber's contract for services for visitor/tourism information and economic development.

Member Norman inquired whether visitor information hours could be augmented with a phone service on the weekends that could field questions from visitors. Ms. Wyatt agreed to look into the possibility of expanding visitor information service.

Member Norman suggested including adding "retention of business" under the Chamber's economic development activities.

Vice Chair Pelosa suggested adding the Auburn International Farmers Market to the first paragraph on page 2 of the report. Vice Chair Pelosa also suggested adding the Auburn Regional Hospital and the Auburn Golf Course as additional distribution locations for the Community Directory.

B. Comcast Cable Franchise Extension Agreements

O4.1.4, A3.14

Information Services Director Rempher presented information related to the proposed extension of the existing Comcast cable franchise. The extension of the franchise involves three documents: Ordinance No. 6284, Resolution No. 4530 and Resolution No. 4531.

The franchise will be extended five years and amends other provisions of the franchise, for example:

- Technical Audit provisions that requires Comcast to certify their technology each year.
- PEG Support and Channel Locations which institutes a \$0.35 per subscriber per month fee that will pass through to the City of Auburn to support capital expenditures related to public, education and government access television.
- Provides for a 12-month window in which Comcast must begin to serve any of our annexation areas.
- The addition of cable service to the M & O facility and the new VRFA fire station
- Competitive equity
- Institutional Network (I-Net) is removed from the franchise and a separate lease agreement that leases the infrastructure to City of Auburn for \$1 per year for 50 years.
- Gross revenue is clarified.

During discussion, Finance Director Coleman advised that the City receives a franchise fee and a one-percent utility tax on cable.

Director Rempher distributed a revised Ordinance No. 6284 which includes an additional paragraph defining gross revenues.

C. Ordinance No. 6278

F3.22

Budget Amendment No. 3

Finance Director Coleman presented a memorandum regarding Budget Amendment #3. The budget amendment's main focus is to adjust for changes in capital expenditures and the corresponding revenues.

Committee members briefly reviewed the requested budget amendments. Most of the information was provided to the Committee previously; a few additional changes related to capital

projects have been included and were highlighted in the amendment document.

D. Ordinance No. 6285

F3.22

Budget Amendment No. 4

Finance Director Coleman presented a memorandum regarding the 2010 Midterm Budget Correction. Director Coleman reported that the midterm budget correction carried forward changes made to the 2009 Budget. In addition, the 2010 midterm budget correction includes:

- Reduction in contributions to the Equipment Rental Fund, 25%
- Reductions in contributions to Information Services 30%, and Multi Media, 18%
- Increase in contributions to Facilities as the new City Hall Annex comes on line
- Reduction of the cost of living adjustment to unaffiliated staff through furloughs and keeping this work group on par with the other affiliated groups
- Negotiations with the affiliated groups are ongoing and are not final as of this date

Mayor Lewis spoke briefly regarding the decreases in revenues; ie from sales tax, property tax, and fees. All income streams have been dramatically reduced; therefore expenditures must be cut for a long-term basis. Employee layoffs will take place on December 30th.

E. Resolution No. 4548

A3.16.3

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and the City Clerk to execute an Agreement for Services between the City of Auburn and the Auburn Area Chamber of Commerce to operate a Visitor Information Center, promote tourism awareness within the City and to provide services associated with supporting the City's economic development efforts

Committee members reviewed Resolution No. 4548.

F. Resolution No. 4549

A3.16.3

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and City Clerk to execute an Agreement with Thompson Smith Consulting Group, Inc. to assist the City to secure water rights from the Washington State Department of Ecology for the purposes of meeting the City's water needs

Committee members reviewed Resolution No. 4549. Mayor Lewis advised that Resolution No. 4549 authorizes a consulting services agreement with Thompson Smith Consulting Group for work related to water rights and the Cascade Water Alliance. The work is nearing completion, and the contract is written for the term January 1 through March 31, 2010, at \$7,500 per month.

G. Resolution No. 4550

A3.16.3

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and City Clerk to execute a contract with Washington Advocates², LLC for consulting services

Committee members reviewed Resolution No. 4550. Mayor Lewis stated that the consultant's services have been valuable to the City. The consultant's annual activity report will be available in January.

VI. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 7:20 p.m.

APPROVED THE _____ DAY OF DECEMBER 2009.

Nancy Backus, Chair

Danielle Daskam, City Clerk